these trade agreements where we are exporting jobs. This gives Congress the responsibility and a role in determining whether or not we should withdraw from the World Trade Organization.

In my view, it is legislation that should have been passed sometime ago. I understand it is acceptable to the House if we can free it from the Senate. Senator BYRD has had an interest in it. He has improved it some. He has an amendment, I think, that strengthens it more. It is not a partisan issue. I hope we can clear it this morning. If not, I know sometimes things do not work in this place.

I also thank Chaplain Ogilvie for his thoughts and his prayers.

Between now and 9:45, I assume the time will be equally divided.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The Chair advises the majority leader there is a period of morning business with Senators permitted to speak not to exceed 5 minutes.

GODSPEED TO SENATOR DOLE

Mr. COCHRAN. Mr. President, I rise to join all of those in the Senate today to wish Godspeed to our distinguished majority leader and colleague, BOB DOLE, as he departs the Senate and embarks upon his campaign for the Presidency of the United States. I do not know of any other event that is more important to all of us or to the country this year than his election as President. I am really glad in one sense to see him concentrate his full energies and attention on that objective.

When I think about BOB DOLE's leaving the Senate, I think about when I came to the Senate he was already established as one of the true legislative leaders of the Senate, although he occupied no elected position of leadership in the Senate. It was my good fortune to serve on two committees with him as a freshman Member of this body—the Agriculture Committee and the Judiciary Committee. He was not intending to serve on the Judiciary Committee that year either, but he was drafted to serve. We did not have enough Members to fill out the ranks on the Republican side. Senator KENNEDY from Massachusetts just assumed the chairmanship of that committee. It was a very highly visible committee.

I recall Senator DOLE coming on the committee. Of course, he had been a lawyer, a county attorney in Kansas. He brought to that committee good judgment and experience on a number of issues. I can recall what I would think would be referred to as an obscure bill that year that the committee worked on, which was bankruptcy reform. After a lot of hearings, a lot of effort to resolve issues and to get a bill reported out, it was Senator DOLE who, when it appeared there was not going to be any action on that issue, came up with a proposal that turned out to be the centerpiece of bankruptcy reform.

It was that way on the Agriculture Committee. We would be locked in tough debate, arguments, differences of views based on regional considerations, sometimes party differences. The chairman from Georgia, Senator Talmadge, was trying to get everybody together. Time after time after time it was BOB DOLE who ended up being the force and the catalyst that brought the committee to a point where it agreed and reported out legislation. That legislation would ultimately become law.

Senator DOLE, as a member of the Finance Committee—I did not have the good fortune to be a member there—but as chairman of that committee, I can recall his handling legislation on the floor of the Senate into the late hours of the evening with the patience and the calm determination to see the bill through, dealing with the competing interests, the offering of amendments, Democrats and Republicans alike, getting a fair hearing on their proposals of what should be in the bill and what should not be in the bill. And finally, after sometimes days, bringing that bill to a point where it would pass the Senate and then ultimately be enacted into law.

A legislative leader, in the truest sense of the word, on a wide range of issues, some issues that other Senators did not want to work on, like in the Agriculture Committee, the nutrition issues, working out the difficulties in determining eligibility for food stamps, for School Lunch Program participation, how much would the Federal Government contribute, how much would State and local governments contribute, how much would individuals have to pay for these benefits, and on and on, the minutia, the tough, hard decisions. He was there to help make those decisions and to help shape a consensus of support for legislation on those issues when others could not do it, did not bring the skill and the determination and the capacity to do it that BOB DOLE brought to the challenge.

It was no wonder, when Howard Baker left the Senate in 1984, following the elections that year, the Senate turned to Bob DOLE and elected him leader. He has proven himself over and over again to be a confident, fair, courageous, decisive leader, driven by character, integrity, and the notion of what is good for the public interest, not just what is good for the party interest or partisan consideration, but the general interests that serve the people of our great country. It is with that kind of leadership that we have come to appreciate the genius of BOB DOLE and the outstanding way in which he has discharged the responsibilities of leader.

We are going to have a tough job. I know that some people are talking about the succession, and who is going to replace BOB DOLE. The fact is that nobody is going to replace BOB DOLE. Nobody has the capacity to do all the things that he has done in the U.S. Senate. It has really been an honor—a great honor—and a wonderful opportunity to have had the privilege of serving on some of the committees he has served on, some he has chaired, and to be a part of this Senate that has been led by BOB DOLE, the Senator from Kansas.

So we wish him all the best and know that he will enjoy many more successes and many more triumphs in the years ahead. We are confident of that, and we bid him a fond farewell.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

TRIBUTE TO SENATOR BOB DOLE

Mr. KYL. Mr. President, I would like to join the Senator from Mississippi in paying tribute to the Senator from Kansas, the distinguished majority leader. All of us who have served in this body can tell stories—even those of us who have served a very short period of time, such as myself—that reflect the qualities of BOB DOLE's leadership. Those of us who are partisan Republicans can only hope that a majority of American citizens can get to know BOB DOLE as well as we know him. If they do, then those of us who would like to see BOB DOLE be President know that the American people would choose wisely in that case. We recognize our partisanship in this matter, but I think even those who are on the other side of the aisle would acknowledge that the majority leader is a man of great character, judgment, and leadership skills that, frankly, are greater than most public servants who have the opportunity to represent people in this country.

So I join with my colleague from Mississippi in paying tribute to the majority leader, and I wish him well in his future endeavors.

A 15-PERCENT ACROSS-THE-BOARD TAX CUT

Mr. KYL. Mr. President, I want to speak for a few minutes this morning about a recommendation that has been made to the distinguished majority leader by a group of economists. I am talking about the proposal to cut income tax rates by 15 percent across-the-board. I know that some people will criticize this as political, but, frankly, in a representative democracy, the whole idea is to do things that the people want. I submit that if the people respond positively to this idea, clearly, it will have been the right thing to do. I believe people will respond positively because they have been asking for tax relief.

The point of an across-the-board cut in tax rates is that it helps to stimulate the economy. Therefore, it is the most productive in terms of providing for economic growth, which helps all people.

This is the kind of rate cut that produced more revenues to the Treasury under the administrations of John F.

Kennedy and Ronald Reagan. This is the kind of tax rate cut that has been proposed and that I submit Majority Leader DOLE would be wise to call for in his Presidential campaign. John F. Kennedy, of course, said back in 1962, ''A rising tide lifts all boats,'' to illustrate the point that across-the-board tax rate cuts help everybody. It helps the economy grow. Therefore, it does not matter what place you are on the ladder of economic progress, whether in the middle, or at the high end, or even at the lower end of the ladder; a growing economy helps everyone because it provides for more job opportunities, it provides for more payment to workers, more opportunities for savings and investment and expansion of the economy, which, as a result, helps everyone.

But the point that I want to briefly make this morning is that it also helps us in dealing with the problem of reducing the Federal budget deficit and providing for the needs of Government. There is a paradox in economics that provides that, up to a certain point, actually reducing tax rates can provide more revenues to the Treasury. In the brief minute or two I have this morning, let me address that a little bit more.

Obviously, there are two tax rates that produce no tax revenues to the Treasury. One is 0 and the other is 100. The point of mentioning 100 is to make the point that you can tax people too much—to the point that they will stop doing the things that produce the revenue that would then come into the Treasury. When you have tax rates of 90 percent or 80 percent or 70 percent, even, people find other things to do with their money. Either they do not work as hard and generate the income, or they find ways to shelter that income or defer it so that they do not have to pay taxes. The result is that tax increases do not produce the revenues they are projected to produce. That fact is true of the 1993 Clinton tax increase. People just changed their behavior as a result of the increased taxes.

The same thing is true when tax rates are cut. When John F. Kennedy did it and when Ronald Reagan did it, revenues to the Treasury increased dramatically. It is like having a weekend sale. The merchant does not do this to lose money when he reduces the price on his goods. He reduces the price on the goods in order to attract more people to buy more goods so that even though he is making less per item, he makes far more in gross terms. That is exactly what happens when the Government reduces marginal tax rates, and what economists predict would happen if there were an across-the-board 15-percent tax reduction in our income tax rate.

Under the Reagan administration, Mr. President, not only did interest rates fall as a result of the tax rate cut, but our economy grew for the longest sustained period in the peacetime history of the United States and, importantly, revenues to the Treasury increased between $60 billion and $80 billion a year. In the John F. Kennedy administration, income tax rates were reduced from a range of 20 to 91 percent to a range of 14 to 70 percent. Revenues to the Treasury rose 66 percent by 1969. In the States it was the same thing. During former Governor DuPont's administration in Delaware, in 1979, the top rate was cut from 19.8 percent to 7.1 percent. By 1993, State revenues had doubled and employment increased by 36 percent. Welfare caseloads fell by 40 percent.

The point I am trying to make here is really very simple. In this time when we are all focused on deficit reduction, there are a lot of people who are deathly afraid of reducing tax rates on the assumption that it will reduce revenues to the Treasury. In fact, they even propose increasing tax rates. But the fact of the matter is that at least certain kinds of rate reductions—and this certainly includes across-the-board marginal income tax rate reductions—have resulted in increased revenues to the Treasury every time they have been accomplished.

Those who say that we cannot afford a tax cut if we are serious about balancing the budget seem to view the economy as a zero-sum game. It is, in my view, a very cynical view that seeks to divide people, baiting them with envy and greed; no one can ever do better unless someone else does worse. It is like trying to divide a pie into ever more slices, satisfying no one in the process.

Some of us think that we should try to make every American better off. We want to grow the economy—bake a bigger pie—so that all Americans can do better. That is what happened during the Reagan years. I noted some of the benefits of the Reagan tax cuts earlier in my remarks, but other good things happened as well. Real median family income grew every year but one between 1982 and 1989, rising $4,564 or 12.6 percent. Inflation virtually disappeared by 1986, protecting all Americans, particularly senior citizens on fixed incomes.

And for those who suggest that it was the wealthiest who benefited most from tax cuts, I would point out that from 1981 through 1988, the share of all income taxes paid by the top 1 percent of all taxpayers rose each and every year from a low of 17.89 percent to a high of 27.58 percent.

The high-tax policies of the 1990's have had just the opposite effect. Real median family income has declined $2,108 or 5.2 percent. Since the beginning of 1995, the economy has only grown at a yearly rate of 1.6 percent. More than a third of the new jobs created have gone, not to people just entering the work force or getting off of welfare, but to people who are taking an extra job just to make ends meet. Interest rates, which declined during most of 1995, are rising again after President Clinton vetoed the balanced budget and tax relief package that Congress sent him.

Until Congress forced President Clinton to get serious about limiting Federal spending last year, deficits were forecast at $200 billion a year for the foreseeable future—despite record high taxes. What that proves is that sluggish economic growth and overspending, not a lack of revenue, are the real causes of the Nation's deficit problem.

Mr. President, I would note that revenues as a percentage of gross domestic product [GDP] have actually fluctuated around a relatively narrow band—18 to 20 percent of GDP—for the last 40 years. Revenues amounted to about 19 percent of GDP when the top marginal income tax rate was in the 90 percent range in the 1950's. They amounted to just under 19 percent when the top marginal rate was in the 28 percent range in the 1980's. Why the consistency? Because tax rate changes have a greater effect on how well or how poorly the economy performs than on the amount of revenue that flows to the Treasury relative to GDP.

In other words, how Congress taxes is more important than how much it can tax. The key is whether tax policy fosters economic growth and opportunity, measured in terms of GDP, or results in a smaller and weaker economy. Nineteen percent of a larger GDP represents more revenue to the Treasury and is, therefore, preferable to 19 percent of a smaller GDP.

Mr. President, I want to conclude by contrasting the proposed across-the-board income tax rate cut with some of the other tax cut proposals that have been offered. As Grover Norquist of Americans for Tax Reform said recently, paraphrasing Mae West, ''All tax cuts are good tax cuts, and even bad tax cuts are good tax cuts.'' In other words, just about anything we do to leave more money in people's pockets is a good thing.

I very strongly supported the $500-per-child tax credit that was in the Balanced Budget Act last year. I cosponsored the proposal with Congressman FRANK WOLF of Virginia when I served in the House of Representatives with him in 1994. I would also support President Clinton's proposed education credit. But the $500-per-child credit and the education credit, unlike the proposed 15-percent across-the-board rate cut, would help only families with children or those in pursuit of a college education.

The benefit of the across-the-board approach is that it reaches out to all Americans. Everyone would benefit. It says to the American people that we trust them to spend their money in ways that are best for themselves and their families. It would allow people to keep more of every dollar earned from their extra effort in the work place—no matter what kind of work they do—and from their extra investment—no matter what kind of investment they make. The broad nature of the tax cut, applying to all forms of work and investment, ensures that effort and capital are steered to the most productive activities in the economy instead of those activities that the Government deems most important through targeted tax credits or deductions.

It is also the fairest way to provide tax relief. Everyone would be treated the same; tax rates would be cut 15 percent across the board, boosting take-home pay and relieving a major source of anxiety among people with middle and low incomes.

Notably, a 15-percent rate cut would take revenues as a share of GDP back to where they were before Clinton took office—to 19.2 percent from the current 20.4 percent—effectively repealing the Clinton tax increase.

Therefore, I think it would be a very wise thing for Majority Leader BOB DOLE in his quest for the Presidency—and, frankly, for President Bill Clinton, as he seeks reelection—to embrace the concept that the American people could not only do well individually as a result of a reduction in income tax rates, but also that this would help to stimulate the economy and, ironically, or paradoxically, as I said, end up providing more revenues to the Treasury to help us with deficit reduction and the financing of all of the important things that we want to finance as a result of the Federal Government's efforts.

Mr. President, I hope that as this debate continues, we will be able to discuss the concept of tax rate reductions. I hope to cosponsor legislation to that effect, and I hope we can begin the debate with the American people so that a consensus can be developed and, as a result of this election, we will have a mandate to reduce marginal income tax rates across the board.

REPUBLICAN PROPOSAL ON MEDICAL SAVINGS ACCOUNTS AND THE HEALTH INSURANCE REFORM BILL

Mr. KENNEDY. Mr. President, yesterday, House and Senate Republicans announced a compromise on medical savings accounts. In reality, this compromise is a capitulation to House Republicans who are more interested in creating an issue and serving a special interest constituency than in passing a bill.

Medical savings accounts have become the Trojan horse that could destroy health insurance reform. This untried and dangerous proposal does not belong in the consensus insurance reform bill. It has already been rejected by the Senate. A bill containing it cannot be enacted into law and signed by the President.

Democrats and the White House have offered a fair compromise, which would provide for a controlled and limited test of the MSA concept to see if it should be expanded. But the House Republican leadership has said that it will be their way or no way. As Majority Leader ARMEY said on Sunday, "I will not give up medical savings accounts," and he dared the President to veto the bill. The latest proposal clearly reflects this partisan strategy.

The Republican leadership pretends their proposal is a fair attempt to deal with concerns about medical savings accounts. But it is nothing of the kind. Under their proposal, medical savings accounts could be sold to all small businesses and the self-employed immediately. This opens MSA's to a massive market consisting of more than 40 million workers—one-third of the Nation's entire labor force. This is hardly a controlled, limited test.

Even more serious, experts agree that the small business sector of the health insurance market is the most vulnerable to the disruption that medical savings accounts would cause. The Joint Tax Committee concluded that sales of medical savings accounts would be concentrated in small- and medium-sized firms.

The proposal would clearly go beyond the bounds of what is acceptable, even if it stopped there. But it does not. After 3 years in which medical savings accounts are sold to this vast market, the accounts would be expanded to everyone. Only if both the House and Senate voted to stop the expansion would it be prevented. This is not a test. It is a travesty.

The great danger of medical savings accounts is that they are likely to raise health insurance premiums through the roof and make insurance unaffordable for large numbers of citizens. They will discourage preventive care and raise health care costs. They are a multibillion-dollar tax giveaway to the wealthy at the expense of working families and the sick. Their cost could balloon the deficit by tens of billions of dollars.

The most troubling aspect of medical savings accounts is the risk that they will destroy the health insurance pool, and price conventional insurance out of the reach of most American families. Medical savings accounts will raise premiums for the vast majority of Americans—especially those who are sick and need coverage the most—by siphoning the healthiest people out of the insurance pool. As premiums rise for everyone else, more and more working families will be forced to drop comprehensive coverage. In the words of the Congressional Budget Office, medical savings accounts "could threaten the existence of standard health insurance." Mary Nell Lenhardt, senior vice president of Blue Cross and Blue Shield concluded that MSA's destroy "the whole principle of insurance."

The leading proponents of medical savings accounts are insurance companies like the Golden Rule Co., which have been the worst abusers of the current system. The strongest opponents of medical savings accounts are organizations representing working families, senior citizens, consumers, and the disabled, who have the most to lose if the current system of comprehensive insurance is destroyed. We know whose voice should be heard when Congress decides this issue—not the voices of greedy special interests, but the voices of those who depend on adequate insurance to get the care they need at a price they can afford.

The Kassebaum-Kennedy bill passed the Senate by a bipartisan vote of 100 to 0, without medical savings accounts. It passed unanimously, because it contained the noncontroversial, important insurance reforms that everyone agreed on. The American people deserve to see those reforms enacted, not jeopardized by the last-minute addition of a partisan poison pill.

House Republicans should not turn a bipartisan bill that could be passed by both Houses today and signed by the President tomorrow into just another election year issue. The American people deserve a fair compromise on this highly controversial issue, and I continue to be hopeful that we can find a satisfactory compromise to save this needed bill.

To those who genuinely believe that medical savings accounts offer an improvement in the health care system, I say let us work together to devise a fair test of the concept that will not put millions of American families at risk. The American people's hopes for insurance reform should not be held hostage to a partisan, special interest agenda.

Mr. President, I yield the floor.

Mr. GRAHAM addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Florida.

Mr. GRAHAM. Mr. President, I ask unanimous consent to speak for 10 minutes for purposes of introducing two bills.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, thank you.

(The remarks of Mr. GRAHAM pertaining to the introduction of S. 1859 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. ROTH addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Delaware.

TRIBUTE TO SENATOR BOB DOLE

Mr. ROTH. Mr. President, it is difficult, if not impossible, to adequately address the congressional career of our departing majority leader in a 5-minute floor statement. His accomplishments in his 35 years as a Congressman and Senator—his successes achieved while serving 11 years as Republican leader—could fill volumes.

Indeed, hours could be spent rehearsing BOB DOLE's impressive record: His heroism in World War II; his early political career in the Kansas House of Representatives, followed by his successes here in Washington; his efforts